

§ 301.6

18 CFR Ch. I (4–1–09 Edition)

(iii) In addition to including the forecast of capital and operating cost increases or reductions associated with the change in service territory, the utility must forecast the changes in purchased power expense, sales-for-resale credit and other costs based on the changes in the service territory.

(iv) Because the date of the actual change to the utility's service territory could differ from the forecast date used to determine the ASC during the Review Period, Bonneville will not adjust the utility's ASC until the change in service territory takes place.

(g) *ASC determination for customer-owned utilities that elect to execute Regional Dialogue High Water Mark contracts.* Bonneville will use the following approach:

(1) Use the RHWL System Load as determined in the Tiered Rates methodology process.

(2) Determine the RHWL Exchangeable Load (Residential/Small Farm Load).

(3) During the ASC review process, the utility must submit the data necessary to determine the fully-allocated unit cost of resources in excess of the resource amounts used to calculate its CHWM.

(4) Calculate the utility's total unadjusted Contract System Cost.

(5) Calculate a load growth credit, i.e., {(Current System Load minus RHWL System Load) * Unit costs from paragraph (g)(3) of this section}.

(6) Total Exchange Contract System Cost = Total Unadjusted Contract System Cost minus load growth revenue credit from paragraph (g)(5) of this section.

(7) HWM Average System Cost = Total Exchangeable Contract System Cost/RHWL System Load.

(h) *Filing of Appendix 1.* Utilities must file ASC information by June 1 each year, as required in § 301.2, for Bonneville's review and determination of a Base Period ASC. Utilities will file multiple, contingent, Base Period ASC filings to reflect changes to service territories as required in paragraph (f) of this section.

§ 301.6 Change in Average System Cost methodology.

(a) The Administrator, at his or her discretion, or upon written request from three-quarters of the utilities that are parties to contracts authorized by section 5(c) of the Northwest Power Act, or from three-quarters of Bonneville's preference customers, or from three-quarters of Bonneville's direct-service industrial customers may initiate a consultation process as provided in section 5(c) of the Northwest Power Act. After completion of this process, the Administrator may file the new ASC methodology with the Commission. However, the Administrator will not initiate any consultation process until one year of experience has been gained under the then-existing ASC methodology, one year after the then-existing ASC methodology is adopted by Bonneville and approved by the Commission, through interim or final approval, whichever occurs first.

(b) The Administrator may, from time to time, issue interpretations of the ASC methodology. The Administrator may modify the functionalization code of any Account to comply with the limitations identified in section 5(c)(7)(A)–(C) of the Northwest Power Act or to conform to Commission revisions to the Uniform System of Accounts.

§ 301.7 Sample time line review procedures.

(a) Bonneville's ASC review process of the utilities' Appendix 1 occurs only in the year before Bonneville establishes new Wholesale Power Rate Schedules. However, utilities are required to file an Appendix 1 by June 1 of each year so that Bonneville can maintain current data.

(b) The following schedule is a generic schedule that is representative of the time line for the ASC review process. Each spring in the year prior to Bonneville's implementation of new Wholesale Power Rates, Bonneville will post a detailed schedule incorporating the applicable holidays and weekends. Deadlines end at 5 p.m., Pacific Prevailing Time, of the due date.

(1) June 1—Utilities file electronic Appendix 1s with Bonneville.

(2) June 7—Deadline to file petitions to intervene with Bonneville.

(3) June 10—Bonneville grants or denies petitions to intervene.

(4) June 11—Begin Data Request period.

(5) TBD—Workshop(s) on utilities' Appendix 1 filings.

(6) Aug 22—End Data Request period.

(7) Aug 27—Deadline for Bonneville's and parties' issue lists on utilities' filings.

(8) Sept 10—Deadline for reply issue lists from all parties on utilities' filings.

(9) Sept 16—Workshop to discuss issue lists on utilities' filings.

(10) Sept 19—Deadline to request oral argument.

(11) Sept 22—Bonneville grants or denies requests for oral argument.

(12) Oct 1—Oral argument (if granted).

(13) Oct 19—Bonneville publishes draft ASC Report.

(14) Nov 1—Deadline for utilities' and parties' comments on draft ASC Report.

(15) Nov 14—Administrator issues final ASC Report.

§ 301.8 Appendix 1 instructions.

(a) Appendix 1 is the form on which a utility reports its Contract System Costs, Contract System Loads, and other necessary data for the calculation of ASC. Appendix 1 is an electronic template consisting of seven schedules and several supporting files that must be completed by the utility in accordance with these instructions and the provisions of the endnotes following the schedules.

(b) Appendix 1 filings must be accompanied by an attestation statement of the Chief Financial Officer of the utility or other responsible official who possesses the financial and accounting knowledge necessary to complete the attestation statement.

(c) The primary source of data for the investor-owned utilities' Appendix 1 filings is the utility's prior year Form 1 filing with the Commission. Any items not applicable to the utility must be identified.

(d) For consumer-owned utilities that do not follow the Commission's Uniform System of Accounts, filings must

include reconciliation between utility accounts and the items allowed as Contract System Costs. In addition, the cost-of-service report must be reviewed by an independent accounting or consulting firm. The cost-of-service report must be accompanied by a report from an independent accounting firm or consulting firm that outlines the review work that was performed in preparing the cost-of-service report along with an assurance statement that the information contained in the cost-of-service report is presented fairly in all material respects.

(e) The Appendix 1 template is available electronically at <http://www.bpa.gov/corporate/finance/ascm/>, or its successor site. The primary schedules are:

- (1) Schedule 1: Plant Investment/Rate Base
- (2) Schedule 1A: Cash Working Capital
- (3) Schedule 2: Capital Structure and Rate of Return
- (4) Schedule 3: Expenses
- (5) Schedule 3A: Taxes
- (6) Schedule 3B: Other Included Items
- (7) Schedule 4: Average System Cost

(f) The filing utility must reference and attach work papers, documentation, and other required information that supports costs and loads, including details of allocation and functionalization. All references to the Commission's Accounts are the Commission's Uniform System of Accounts as of July 1, 2006, or as amended by subsequent Commission actions. The costs includable in the attached schedules are those includable by reason of the definitions in the Commission's Accounts. If the Commission's Accounts are later revised or renumbered, any changes will be incorporated into Appendix 1 by reference, except to the extent Bonneville determines that a particular change results in a change in the type of costs allowable for Residential Exchange Program purposes. In that event, Bonneville will address the changes, including escalation rules, in its review process for the following Exchange Period.

(g) Bonneville may require a utility to account for all transactions with affiliated entities as though the affiliated entities were owned in whole or in part by the utility, if necessary, to